

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

December 16, 2005

Bill Quigg
Grays Harbor Paper, L.P.
801 23rd Street
Hoquiam, WA 98550

Dear Mr. *Quigg*:

This brief letter is to confirm recent progress regarding one of the key cost factors shaping the future of Grays Harbor Paper. I am pleased to inform you that state and local efforts are generating some encouraging prospects.

As you may know, on December 6th, members of my staff and the Department of Community, Trade, and Economic Development met with representatives of the Grays Harbor Economic Development Commission, the Port of Grays Harbor, the Public Utilities District, and the legislative Coastal Caucus. We discussed various approaches to reducing electricity costs for your production including Community Economic Revitalization Board funds, federal infrastructure dollars, the Governor's strategic reserve account, and other appropriate fund sources.

At this time, the stakeholders mentioned above are addressing technical questions regarding the least expensive solution. My purpose in writing you is simply to confirm our commitment as a community - and my commitment as Governor - to finding a path through your current economic difficulties. I appreciate the work you have done with Grays Harbor Paper in the past, as well as your current efforts. Your dedication to this company and to the Gray's Harbor community is truly remarkable.

Sincerely,

A handwritten signature in cursive script that reads "Chris".

Christine O. Gregoire,
Governor